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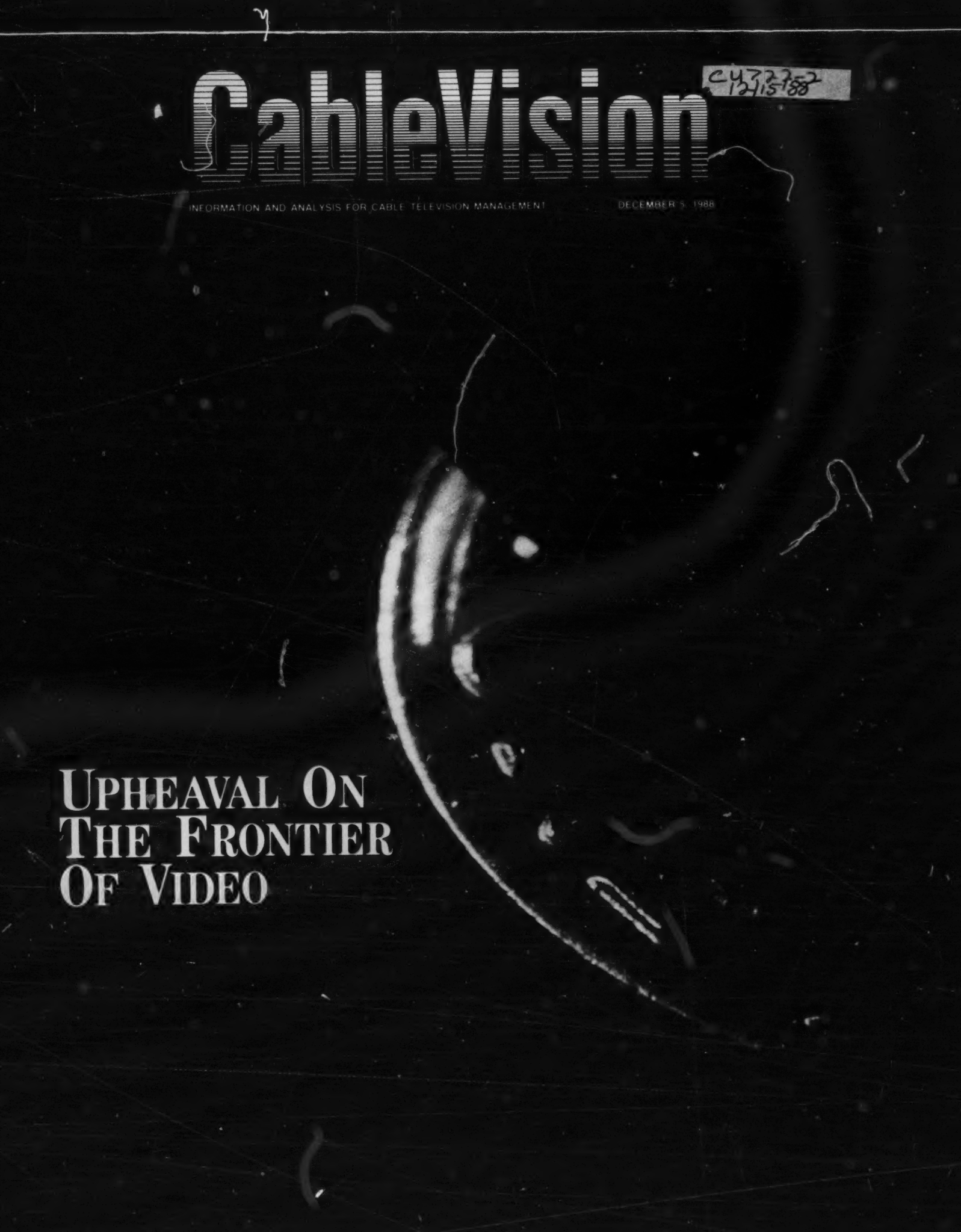
CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

DECEMBER 5, 1988



UPHEAVAL ON THE FRONTIER OF VIDEO

Cable
INFORMATION AND ANALYSIS FOR CABLE TELEVI

INFORMATION

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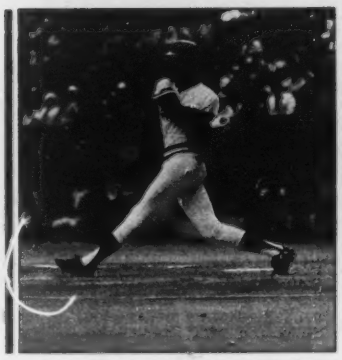

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A man for TNT's new season

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Top 10 MSOs

	1st 9 mos Earnings '88 ($000's)	1st 9 mos Year Ago ($000's)	% Change	9 mos. EPS '88	9 mos. EPS '87
TCI	34.6	33.1	+4%	.19	.20
ATC	47.8	36.4	+31.5%	.44	.33
Warner Comm.	322	236.1	+36%	2.62	1.80
Comcast	(10.0)	(5.0)	+100%	(.28)	(.14)
UA	16.7	4.25	+292%	.61	.19
United*	(15.3)	(3.2)	+378%	(.59)	(.09)
Viacom	(167.7)	(171.7)	-6%	(3.05)	(3.22)
Cablevision Systems	(120.0)	(33.4)	+259%	(5.49)	(1.56)
Jones Int.*	29.25	5.9	+396%	2.34	.46
Times Mirror	235.1	211.9	+11%	1.92	1.84

*as FY ending May 31

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COVER STORY

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In the blinking of a pulse of light, the cable industry—once relegated to also-ran status amid telco promises of a glittering new video age—has surged to the technological forefront and stands ready to imprint its vision for the '90s, with some interesting twists such as premium broadcast TV, DBS packaging and advanced television systems.

John Goddard: a mid-term report. 108
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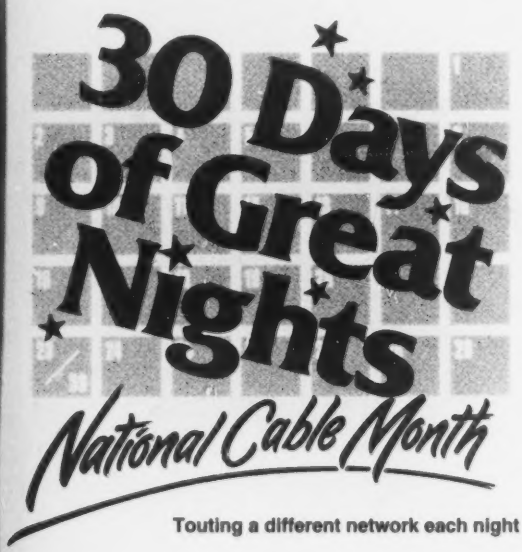

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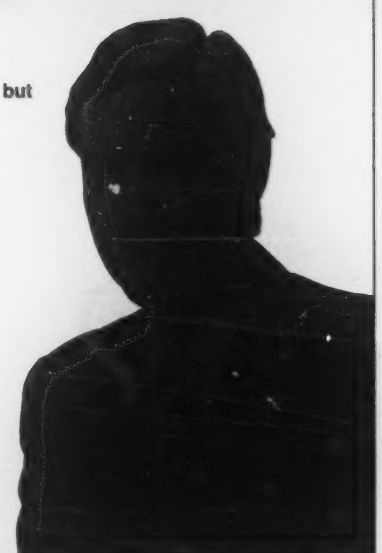

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ABP BPA

COMMENTARY

The long and winding road

It required a few weeks of research and interviews to compile and edit the cover story in this issue on the cable industry's confident vision of its video future. But in reality the piece by Fred Dawson, beginning on page 90, is the culmination of a year's exploration by this magazine into the dynamics of advancing technology, shifting public policy and the role that cable will play in the uncertain arena of television in the 1990s.

Over the past year we have traveled, literally, from coast to coast visiting laboratories and test beds; we have interviewed scientists and MSO accountants, puzzled over pro formas and spec sheets. It has been a voyage of technological discovery for us and we hope for you as well.

From the outset we determined that it would be in everyone's interest if we went that extra mile beyond normal reporting of developments to include texture and nuance that would lend perspective and depth to the information. That is why, for example, in some of our early stories on fiber optics we spent so many column inches in tutorials on lasers, nodes, amplifier cascades and the relative merits of AM fiber as compared to FM.

That also is why we broadened our inquiry beyond the cable industry's internal discussions of technology to examine its competitors. When seemingly everyone was wringing their hands over the telco threat, we went directly to the source with a ground-breaking interview with PacTel's Lee Cox and followed that with several stories on the potential—and limits—of integrated switched digital networks being tested by several Regional Bell Operating Companies.

As we pursued this story over the year we know that at times it became less than sexy—not the stuff that sells a lot of newspapers. And we admittedly have reported as much on Bell Labs as we have on Cable Labs. We did this because we believed that you did not need a sycophant but rather a sobering source of straight information on which you could build a business plan for the decade ahead.

In our cover story, we report that cable now is sufficiently armed to seize the initiative in fiber optics and HDTV through some impressive advancements in system technology and architecture. We have enjoyed this journey and look forward to traveling further down that road with you.

—Steve Tuttle,
Editor

CableVision

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Patrick Keleher
President/Chief Executive Officer

December 5, 1988
Volume 12, Number 11

Pay's top guns, on movies and margins

◆◆◆◆◆◆◆

1990 MOVIE TITLE VOLUME

NEW MOVIES-MAJOR SUPPLIERS

	HBO	SHT
Exclusive	120	60
Non exclusive	15	15
Subtotal	135	75
Other	305	225
Total	440	300

Source: Time Inc.

Exclusivity is still the buzzword at Showtime Networks. Some two years after it announced it would pursue higher-priced movies to differentiate its product from rival HBO, the movie and entertainment service says it's making big gains in new subscribers.

Showtime now boasts some 6,120,000 subscribers, up by some 470,000 from the year before. The Movie Channel, however, lost ground during that period, down 70,000 subscribers to 2,630,000. TMC recently was remolded, and executives say losses already are drying up.

To HBO, film exclusivity amounts to fighting words. Seth Abraham, HBO senior vice president of program operations and sports, says that when one is hit, one must hit back. While HBO initially pursued exclusivity reluctantly—for the most part studios gave HBO no choice—it recently has taken the offensive. At a Time Inc. security analysts meeting, HBO said that by 1990 it would have more exclusive movies than Showtime.

HBO also has seen substantial growth in the last year, with it and Cinemax each growing by more than one million subs. But executives don't pin the reason on exclusive movies. It's more a marketing push.

For both HBO and Showtime, these gains have come at a price. Exclusive movies, increased marketing budgets and discounting at the retail level are depressing margins.

And each organization has new resolve to step up their contributions to the orginal programming pipeline.

HBO's Abraham and Fred Schneier, executive vice president of programming for Show-time Networks, discuss these and other pay issues with Senior Editor Wayne Friedman:

Lessons from customers on exclusivity

Schneier: What they're telling us is we are not a subset of HBO. This comes from a different kind of research which is done on a longer-term basis and it's psychographic. What we, as a second guy in the business, and the generic holder of the turf, have had to face is getting a personality and a profile of our own. And we've done that in the framework of what we called attribution research; you know, "Did you see this? Did you like it? Where did you see it?" In the early days, when we had on a duplicated basis an *Out of Africa*, a lot of people said that they saw it on HBO. We were finding that that crept over even into original programming, where we had something on which was being attributed somewhere else. That needle has moved considerably. It has moved certainly in terms of exclusive movies, but along with it

Continued on page 72

What exclusivity has meant to the pays

Abraham: We did not start the exclusivity wars, nor was that ever a part of our strategy. But when somebody punches, you counterpunch. Did it take money away from HBO in other areas? Clearly it did. We've made no secret about that. When we go into these big motion picture deals on exclusivity, we're paying a premium that the studios would otherwise be realizing if they sold nonexclusively. From Showtime's standpoint, you can always protect your stuff (with exclusivity), and frankly that reason, I think, is bankrupt because there is no movie exclusivity. With the VCR, anybody who wants to see a movie can see a movie. People don't say they saw *Fatal Attraction* on Showtime. They say they saw *Fatal Attraction*. They don't say they saw it on cassette, they say "I saw it." It's like pretending Japan doesn't exist.

Continued on next page

Exclusivity's effect on original programming

Abraham: The money we plowed into exclusive movie product had to come out of somewhere. It came out everywhere. We would have spent more in marketing; we would have spent more in advertising; we would have spent more in promotion; we would have spent more in boxing. I'll give you an example, and it's one I'll use over and over again. We passed on Touchstone, two years ago. If we had (made a deal) we wouldn't have been able to bid on the NFL. Now we didn't get the NFL, but the fact is, if we had made that deal with Touchstone at the dollars that were being discussed, we wouldn't have even been able to bid on the National Football League. And we believed that that was a better commitment for us to go after.

Seth Abraham. HBO's senior vice president, program operations/sports

On Showtime's forcing the dual-pay environment

Abraham: We know a lot of people who are multi-pay subscribers are happy because the percentage is not changing significantly, where people are dropping one pay service. But the strategy of using exclusive movies to force dual pay isn't compelling enough to drive the business. We look at the ratings every night. We're on the Nielsen meter and we see the ratings on movies. Movies don't perform the way they once performed. The same is true with ABC. Look at *War and Remembrance*—the numbers are down significantly from *Winds of War*. It's not because it's not as good. The difference is that, again, today more people have VCRs, more people have cable, so there are more choices out there.

On the future of pay

Abraham: If a person has a VCR, they could get any movie they want. What's going to drive this business in the future is the lineup of original programming that is not readily available at a video store. That's video-proof programming; that's Mike Tyson, that's Barbra Streisand, that's mini-series, that's concerts. That's what's going to drive the business in the future. We think the business is going to be not in the fields of the movies where, again, Americans have access in a lot of different forms. We're saying we need the movies—we've never said we don't—but in terms of where we would opt to put the money, it would not be in exclusive movie programming. But if you wave the red flag in front of the bull long enough, the bull is going to charge.

On mixing original programming and movies

Abraham: Roughly 35 percent of every monthly schedule... is non-theatrical for us. I don't see a day when the movie volume would slip below 50 percent at HBO. Movies will always be, at least for the real foreseeable future, the connective tissue of the service. That's why a lot of people want pay television because they want the choice of movies. The fact is, though, that you can have that movie product as connective tissue—and you need the big movies—but what really galvanizes people, what gets people talking, what gets big viewing numbers, are a lot of the original programs. You might compare us to Showtime, but the average viewer has something very simple in mind: "Is there anything good on TV tonight?" Period. And it's our job to make sure that what's good on TV is on HBO. The average pay home rents between eight and 10 titles a month. HBO is putting 120 or 130 different programs on HBO every month, so we're offering choice, we're offering volume, and we're offering convenience—a convenience that you don't have to go to the video store, return a tape and very often, particularly in the large urban centers, go to a video store and the tape or

Julie Harris (left) and Jason Robards star in *The Christmas Wife*, HBO's *Showcase* special this month.

the movie you want isn't in.

On HBO's subscriber growth

Abraham: A lot of it has to do with marketing. The time-lock campaigns HBO has put on with cable operators three times a year, where there's a dedicated period of time in which the cable operator is marketing, are as much a reason for the upsurge as anything. If you would look at our audience and our marketing campaigns, they are not built around exclusive movies. That's not to say we ignore it, but that's not the way we do the marketing campaign. For example, the campaign we have for our movie lineup: "The best movies on TV." Now, there's not a word in there about exclusive. There is not a word in there about "only on HBO." On Cinemax it's "more movies, more choice." Again, no reference to exclusivity. When we had our first big exclusive movie out of our Columbia (package), it was *Annie*. I think the year was January of '83. And, believe me, there was no rush of people to sign up for HBO because we had *Annie* exclusively. It's not the way the business is driven.

Original programming goals

Abraham: What do we do? I think we do more of the same. We're on a real run with our original programming in terms of its quality, in terms of the acclaim we're getting. I will tell you *Dear America* won more awards probably this year than any show on television—not cable, but television—Emmys and best show of the year by the television critics; we are very proud of that. Next year, there's *Murders Amongst Us: The Simon Wiesenthal Story*. We want to create this feeling that HBO is television worth paying for, that when people see these programs time and time again it leaves a footprint, that this is where HBO was for *Dear America*, this is where HBO is going with *Wiesenthal*. They're not going to watch us every hour of every day and every night. You know that and I know that. But if we have enough high-quality, intelligent, thoughtful programming, then hopefully people feel that their monthly subscription is justified. I just don't think movie exclusivity is a real viable strategy. If we got into it, we got into it because in the chess game of pay television we had to make a counter move. Once they moved theirs, we had to move our piece.

Affect of people meters

Abraham: Our numbers are fairly consistent with what they've been in terms of percentages. I don't think there's a significant drop off. Again, a lot of this is grazing, where people flip around the dial during commercials. It's pretty hard for Nielsen to get an accurate reading. The fact is, without commercials, we don't have a lot of grazing among our viewers. They make a decision to come to an HBO showing and they stay with it or they leave and don't come back. They're not zapping around commercials.

On expanding the sports franchise

Abraham: Baseball clearly is the national pastime. But there's so much baseball out there now, we just don't think another game on HBO (would add any) specialness. We will hopefully chase the NFL next year when the ESPN contract runs out. They will be very difficult to unseat. They've done a good job. They're

the incumbent, they have some advantages—not the least of which is distribution. I'm not one to create sports events. I don't think that washes with the public. After we lost the NFL, we didn't rush out and say, "let's go get darts." There is no feeling that we have to add more sports. I don't think that's the mandate at all. I'm not asked by Michael Fuchs to go and up sports at two percent every year. Sometimes we actually go down, if we do one less fight or if we do two less fights than the year before. There weren't 18 quality fights out there that HBO wanted to bid on.

On series programming

Abraham: If you find something that's worthy, that is special, that is going to create interest, then you look at it. A good programmer has to be nimble and not necessarily have a mind set. We created *A Dangerous Life*, the mini-series about Manila. *JFK in His Own Words*, *Dear America* were created by HBO. One of the things about HBO that is very different than commercial network television—aside from commercials or lack of commercials—is we don't use a formula. The networks have a formula. When something breaks out, really breaks out, like *All In The Family*, *Cosby*, *L.A. Law*, *Hill Street Blues*, it creates such news because it's broken a formula. The business of commercial television is how many people watch the commercials. The more people that watch the commercials, the more money the network can command. The more money they command, the more they spend on programming. That's really what it comes down to. The networks have a business relationship with their advertisers. We have a business relationship with our viewers. They don't like us, very simple, they're not going to send us a check. If they don't send us a check, they disconnect. No one ever throws ABC out of a home.

On scheduling philosophy

Abraham: People in the television business, programmers at least, I think, have egos and there's a bit of P.T. Barnum in all of us. And if we thought about putting a comedy stunt together, putting some kind of festival or stunt together to buttress a weak movie month, a month in which we didn't have a prize fight, sure, we will do that. That's part of programming hocus pocus. But we're not going out saying, "let's go find a series for 8 o'clock on Thursday night against *Cosby*." That's not the way we put our schedules together. At the end of the month we want you to be satisfied that it was justified sending in another check. You don't figure out how many times you watched HBO. You don't sit back and say, well I watched this, this and this, and I didn't watch that. You get a feeling HBO was worth it or it's not. It's very visceral. So when we put our strategies together, we don't look at a night, we don't look at a week, we look at a month. Are there enough movies? Are there enough quality movies? Are there enough original programs? Is there the right mix of a prize fight and sports? We're on a month-to-month contract with our subscribers. That's all.

On pay churn

Abraham: It appears (there are some things) we never overcome—people moving, their economic status changes, they don't like the programming. When we had *Fraggle Rock* on HBO we used to get a

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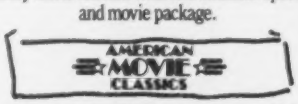

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Continued from page 62

the original programming is now getting the attribution it deserves. It seems like they now know that they've got to stop and say to themselves "where did I see that" instead of just spouting out "HBO" as a kind of a knee-jerk relation answer. That has meant a great deal to us. There's always someone, I suppose, who thinks *Cosby* is on ABC.

What exclusivity now means for Showtime

Schneier: What's going on at the moment is, first of all, we know that we can support and sustain exclusivity because we've got, under contract, and as yet unplayed, 250 titles. These are undelivered to us that are either in production, in theatrical release or on the boards to be produced. What that means to us is (getting closer to) a model that requires us to deliver in the neighborhood of 90 to 96 premiere films a year. So when you take 250 over, let's say, four years, it's 60-plus (films) going out per year, which means we're well along the way to fulfilling that model. We believe exclusivity is not only a strategy that is with us now, but that we will be able to sustain it over time.

Fred Schneier, executive vice president of programming at Showtime.

On pushing HBO into the exclusivity war

Schneier: Every marketplace for movies has at least a half a dozen competitors, whether it's theatrical-domestic, theatrical-foreign, home video, syndication or whatever. In the pay world there are two companies vying for product. Product gets made for these other markets, where six companies or seven or eight or 12 have to split up the available product.

We do not see the opportunity for anybody to corner the market on good movies. We're not looking to be significantly better than they are. We're looking to be a viable alternative. In a given year their lineup may be the equal of or even better than ours. We haven't seen it yet, but it's quite likely that there will be a year where that will happen. Now let's talk about units for a minute. The first thing is, how many movies count? And the answer is something like 100 movies count, and the rest are sort of fungible. It doesn't mean that they won't play reasonably well for you, they will. But those are not the cover movies. And we are satisfied that the deals we have in place, these 250 we're talking about, are going to deliver the cover movies that we need. People don't look at units, they look at movies, and they look at movies that they are interested in seeing or have heard a lot about and that have been a theatrical success. Our game is not to simply pile unit on unit.

On scheduling

Schneier: What we do is organize our schedule so that we give a lot of emphasis to weekends. We have constructed weekends as a Showtime franchise, and we schedule Friday night as an all-comedy night and Saturday night as an exclusive movie and original program night. Sunday is a double-feature night. These exclusive movies generally premiere on Saturday night and are followed by either a comedy concert or a music concert or a boxing match or some special event. On Friday night we will run all comedy movies, a lot of which will be exclusive movies, and some of which will be non-exclusive movies. And then we follow that with a series of Showtime original half-hour series programs like *Shandling*, *Brothers*, *Super Dave*, *Comedy Club Network*, so that it's an all-comedy night and has a high content of proprietary programming. This is new for 1988.

Affect of people meters

Schneier: We now have a little over a year of history, and with this new schedule in place, we are able to measure on a regular basis what reaction we're getting to all of this. We're very satisfied with it. We're getting the kind of subscribers we want to the scheduling we're doing and

Able to cover dart boards in a single bound; Showtime's *Super Dave* (Bob Einstein)

the programming that we're putting on. So we feel comfortable that we are on the right track. We just did an examination of September and October, and there is a 30 percent increase, 1988 over 1987, for those two months. There is a seasonality curve that goes with it because obviously we're not the same month to month because of the differences in the summer and the start of the network's fall season. We don't live and die on ratings, and I prefer to use relationships rather than actual numbers because I don't know what they're going to mean to anybody else. We, on a people meter, are able to examine ratings in Showtime and HBO common homes, and we are doing every bit as well as HBO in homes in which we both exist.

On the dual-pay environment

Schneier: We are committed to dual pay. There was, at the beginning, some resistance to the exclusivity concept. That's gone away because I think we proved our case. I wish I could take credit for the fact that our network growth in the last year and a half in pay has been as substantial as it has. I think we're a factor; we're hardly the only factor. But the truth is that pay has had a resurgence, and the dual pay is stronger than it was a year and a half ago. By that I mean dual pay exists in a larger percentage of the expanded universe of pay than it did a year and a half ago. So, it's grown twice, if you follow me. Operators are finding that there is a receptivity to dual pay in the marketplace, and I'm not sure that I know any cable operator that wouldn't rather sell two pays than one if it's selling. If what he was finding was, "(If) I've got to buy two, (then) I'll buy none," then I think we would have created a real problem in our marketplace, but that's not what happened.

Segmenting the programming

Schneier: The model we're looking for is roughly three-quarters exclusive and one-quarter non-exclusive. Then if you add original programming to that which is all exclusive, you'll wind up with a total service that looks 80-20. There's an interesting phenomenon here. If you take a cross-cut look at our schedule on any given month or any given year, what you'll find is premieres, encores of the premieres you had last year, and second windows of the premieres you had three years ago. We find that the research indicates that those second windows as well as the encores are delivering very healthy ratings. Therefore, there is a very rich mix of exclusive product that goes much deeper than just the premieres.

On repeat programming

Schneier: We do not play movies any more frequently than we used to, and with exclusivity we play them less. And the reason becomes clear and obvious: We're not playing them competitively, we play them where we want them, where we want to schedule them. We're not being defensive about "well, gee, they're running this." Back in the days of *Out of Africa* where everybody was running the damn thing blue because you were afraid you weren't going to get any value out of it because the other guy was going to run it so often, so you jumped in and you exacerbated the problem by running it too often as well. The cable operators were up in arms. It doesn't happen any more. We have the luxury of playing *The Untouchables* when we want it, as we think we need it.

On funding first-run programming

Schneier: We have attempted in our original programming to find ways to support that programming in the after-windows at the same time the program is made. We can stand taller with the same number of dollars as far as our license fee is concerned. If we can make an original movie like *Gotham* and know that it's going to play foreign theatrical and home video as well as play on our service and we can get somebody to commit in

advance to that, it enables us to make that product at the proper price and still know that we haven't increased our license fee.

On movie prices

Schneier: It isn't going to go up because there are other factors in the marketplace. Home video is now a fully mature business, and it is in an earlier window than pay television, and we need to pay attention to that and so do the studios. They have to look at this as a continuum. They get so much from theatrical, so much from home video, so much from pay, so much from network, so much from syndication. We fit in all of that, that it's an appropriate place, and we pay an appropriate price. But we do have to look at what's going on around us. It is also important for us to run an economic model that gives us an opportunity to be profitable at the end of the year because that's how we stay in business and maintain our relationship as a good customer. And those things all need to be in focus, from our point of view and theirs. And reasonable people come out with a deal under those circumstances.

On retail pricing

Schneier: It is declining, and we're encouraging its decline because we think there is a sensitivity on the part of the consumer to the total price he pays. The consumer really doesn't stop and think about "well, it's so much for this and so much for that" until he's ready to cut something out. What he really looks at is, is my basket filled up at $32 a month. "I don't want it to be $42 a month. I want it to be $32, what do I cut out?" That's the unhealthiest situation we could face. We would rather take pay channel rates down so that they remain in the package. The dual pay, then, becomes a very acceptable and attractive combination in the total monthly price. (We) figure that we will expand more in terms of our universe than we will lose on a per-unit basis. We're not looking to lose on a per-unit basis. We look at total dollars over the year, and that's a combination of the size of the universe and the wholesale rate.

On series programming

Schneier: We like the series and we're unique in the pay area because we're the only ones that do an ongoing series. *Brothers* is just celebrating its 100th episode, which goes on the air next month. *It's Garry Shandling's Show* is starting its third season with us. *Super Dave* is starting a second season. *Comedy Club Network* is starting a second season. We don't want to start looking like the commercial networks, so there is a limit on our appetite. They tend to play on Friday night, starting at 10 o'clock, when none of the commercial networks do comedy. Our ratings are good, and our responses are good, and we're able to sustain these shows year after year. We've got a lot of things in development for I guess the day when these shows are finished. But I don't think we want to wind up with 10 or so half-hour series. We think pay television is very much the home of the theatrical movie, uncut and uninterrupted and delivered on an exclusive basis with a lot of other programming going with it. Series plays a part in that, but so do comedy concerts, music concerts, and boxing events. They are an integral part. We did a pilot on a new one with Bernie Brillstein's company called *The Boys*. We are also going to look at the possibility of doing a one-hour drama anthology series. Well, we'll probably be able to announce that in a month. It won't be on our schedule until next summer.

On daytime programming

Schneier: During the week, in daytime, we find we have a modest audience. There is lots of terrific product that we've bought for the prime time that we can run on a convenience basis (in daytime). It becomes interesting to the subscribers or the parts of the subscribing families that are home and available for the set. The one single major exception to that is family time where we've blocked out 4-6 p.m. Monday through Friday, where we do children's and family programming. When I say "family" what I really mean is it may be aimed at children, but it will have an entertainment quotient that is not just designed for a 5-year-old, but is acceptable in a home where parents are kind of looking over their shoulder. The newest ingredient in that is *Storybook Classics*, a series that we introduced at the beginning of the year and I'm now augmenting, which is a series of half-hours that are done in a very simple animated form, telling great children's stories with wonderful stars doing the narration.

On the quality of first-run movies

Schneier: We had about seven or eight (films this year). We intend to go to 12. It may take us another year to

get there. But we would like to go, optimally, to one a month. We're really interested in pursuing the template that we established with *Gotham*. It was on in August, worked very well for us, and delivered very high numbers. It is going to be a fine theatrical picture and play every market, you know every window there is, with the single exception of U.S. theatrical.

On syndicating Showtime movies

Schneier: Viacom will have a couple of them and they will be part of their overall packages. We think it's more successful to do it that way than to label them and put them out. The world is not waiting for a Showtime package of movies. They're waiting for good movies. Viacom has enough sources to be able to put out a balanced package, where we may give them two films, then the same thing again next year or two or three in a special package that they're putting together. But there's no pre-set pattern.

On music and comedy series

Schneier: We're doing a series of music programs hosted by Herbie Hancock, and not just a bunch of individual shows, now you see them here and six months later you see them there. That's an 1988 introduction and going to be much stronger in '89. Another thing we're doing more is developing a comedy star system. We are taking comedians, we're running them through a series of stages on our service that starts with the *Comedy Club Network* (which) appears on our network Friday nights from 9:45 to 10. We created it because the movies don't all end at the same time. You've got a common start time for your first half-hour at 10 o'clock. But the movies end at 9:20, 9:30, 9:35 P.M.—you can't run promotional material for 25 or 35 minutes. You're going to lose your audience. It's a wonderful time to do some promo stuff. It's three comics doing a five-minute bit.

Does exclusivity slow down first-run?

Schneier: The original programming dollars we spend in 1989 will cost us less per unit than they cost in '88. We'll spend more dollars, but less per unit because as you grow, you don't pay on a per-subscriber basis for your original programming. (Let's say) I have one million subscribers and the program cost me $100,000. If I go to two million subscribers the program still costs me $100,000. So I've cut my cost per subscribing unit in half. You can grow and spend more absolute dollars, but spend less of your overall if you have a fix on what your programming costs should be per subscriber. You can actually be saving pennies per subscriber even through you're spending more dollars. ■

Continued from page 70

couple of letters every month from people complaining that are we wasting time with *Fraggle Rock*. There should be more R-rated movies. We want to see T & A, that's why we got cable television. You can't please all the people all the time, you try to please most of the people most of the time.

On lower retail pay rates

Abraham: You can argue both ways. You could argue that you begin to create the impression that it's distressed product. When you shop at Tiffany's you expect Tiffany prices. You don't expect to get jewelry for J.C. Penney prices. There is that mind set as well. The other side of it is of course, people would always like to spend less. But in lowering prices I don't know that it automatically is going to change the economic structure of our business. I'm not a marketing guru. I guess my feeling is to the first side. You run the risk of cheapening the product or the image of the product when you start lowering prices. (But) if by discounting during a particular promotion you lower the price of HBO, or any service, to get people to sample it, (then that's okay). We have system-wide previews where in essence we give HBO away to basic subs for a weekend. Selling it for free twice a year, on two weekends, we think is a good idea.

On funding HBO Pictures

Abraham: You look for co-ventures, foreign money, video rights, after market rights. You try to be clever and thrifty. I've watched every night of *War and Remembrance*. I was just curious to see what $110 million looked like on the screen. And you know something, it's on the screen. The dramatizations, all shot on location; the battle scenes are just phenomenal. People don't say

HBO can afford to be of lesser quality. I think the opposite. People look to us for things of higher quality because they're paying for it. They're saying "*War and Remembrance*, I get for free. For *A Dangerous Life* or *Wiesenthal*, I'm paying for it on HBO."

On Mike Tyson

Abraham: All of this hoopla, both matrimonially and from a boxing standpoint, is more of a big curiosity. If and when he gets back into the ring the first time, it will just command a tremendous audience from fight fans and from hangers-on. And from those who are just morbidly curious to see who is this 22-year-old that Robin Givens is suing for $125 million, etc. It's not necessarily how I want to plan a schedule. There will be some light given off when he gets back into the ring. There's an upside and a downside. We had Tyson-Bruno in September, October, December and January. Four times, actually five times—twice in October—Tyson-Bruno has been scheduled and five times it's been cancelled. Tyson loses by not fighting, Bruno loses because he doesn't get paid. The public loses and HBO loses. ■

This notice appears as a matter of record only.
November 1988

Sold:

Galaxy Cablevision

Has acquired

E-Z Vision Inc.

Serving Rusk and portions of Cherokee County, Texas.

Sale represents 1,250 basic subscribers.

Jeff Eden represented the sellers.

DANIELS
&ASSOCIATES
3200 Cherry Creek South Drive
Suite 500
Denver, Colorado 80209
303/778-5555

Financial Services to the Cable Communications Industry.

NOTES

C-SPAN

When George Bush becomes president next month, C-SPAN will institute a policy change regarding presidential news conferences. All Bush conferences will be carried live, followed by a Democratic Party response and a call-in period for viewer questions and critiques. Until now, C-SPAN either declined to carry presidential conferences or ran them on a tape-delay basis because of various factors.

Showtime

Showtime will celebrate Christmas Day with a *Children's Storybook Classics* marathon. Six episodes from the animated series will be cablecast back-to-back, followed by the premiere of *Santa Bear's First Christmas*, narrated by Kelly McGillis. The feast begins at 6 a.m. ET. As for New Year's, Showtime will save its premiere treat for a midnight launch; *Gloria Estefan and Miami Sound Machine*, captured in concert worldwide.

Pay-Per-View Supply Chart

December

	Source
Above The Law MPAA Rating: R Running Time: 99 mins. Cast: Steven Seagal, Henry Silva, Sharon Stone	Warner Bros.
Angel III: The Final Chapter MPAA Rating: R Running Time: 100 mins. Cast: Maud Adams, Mitzi Kapture	New World
Anna MPAA Rating: PG Running Time: 100 mins. Cast: Sally Kirkland	Vestron
Bad Dreams MPAA Rating: R Running Time: 85 mins. Cast: Bruce Abbott, Jennifer Rubin	20th Century-Fox
Casual Sex MPAA Rating: R Running Time: * Cast: Victoria Jackson,Lea Thompson	Universal
Consuming Passions MPAA Rating: R Running Time: 100 mins. Cast: Vanessa Redgrave, Jonathan Pryce	Sam Goldwyn
The Dead MPAA Rating: PG Running Time: 80 mins. Cast: Angelica Huston, Donal McCann	Vestron
The Emperor's New Clothes MPAA Rating: G Running Time: 85 mins. Cast: Sid Caesar,Clive Revill, Robert Morse	Cannon
Funny Farm MPAA Rating: PG Running Time: 102 mins. Cast: Chevy Chase, Madolyn Smith	Warner Bros.
My Best Friend Is A Vampire MPAA Rating: PG Running Time: 89 mins. Cast: Robert Leonard,Cheryl Pollak, Rene Auberjoiois	Kings Road
The New Adventures Of Pippi Longstocking MPAA Rating: G Running Time: * Cast: Tami Erin, Eileen Brennan, Dennis Dugan, John Schuck	Columbia
Nightmare At Noon MPAA Rating: R Running Time: 97 mins. Cast: George Kennedy	Graff
Not Of This Earth MPAA Rating: R Running Time: 80 mins. Cast: Traci Lords	Concorde
Off Limits MPAA Rating: R Running Time: 102 mins. Cast: Willem Dafoe, Gregory Hines, Amanda Pays, Fred Ward	20th Century-Fox
Rambo III MPAA Rating: R Running Time: 102 mins. Cast: Sylvester Stallone, Richard Crenna	Columbia
Rikky & Pete MPAA Rating: R Running Time: 101 mins.	MGM/UA
Salsa MPAA Rating: PG Running Time: 99 mins. Cast: Robby Rosa	Cannon
Stormy Monday MPAA Rating: R Running Time: 93 mins. Cast: Melanie Griffith, Tommy Lee Jones	Paramount
Two Moon Junction MPAA Rating: PG Running Time: 104 mins. Cast: Sherilyn Fenn,Louise Fletcher,Burl Ives,Kristy McNichol, Richard Tyson	Viacom
Vampire At Midnight MPAA Rating: R Running Time: 93 mins. Cast: Jason Williams, Gustav Vintas	Skouras

January

	Source
Appointment With Death MPAA Rating: PG Running Time: 102 mins. Cast: Peter Ustinov, Lauren Bacall,Carrie Fisher	Cannon
Arthur 2 On The Rocks MPAA Rating: PG Running Time: 112 mins. Cast: Dudley Moore,Liza Minnelli, John Gielgud	Warner Bros.
Big Top Pee-Wee MPAA Rating: PG Running Time: 111 mins. Cast: Pee-Wee Herman (Paul Reubens),Valeria Golino,Penelope Ann Miller	Paramount
Danger Zone II: Reaper's Revenge MPAA Rating: R Running Time: 95 mins. Cast: Jason Williams,Robert Random	Skouras
The Drifter MPAA Rating: R Running Time: 89 mins. Cast: Kim Delaney, Timothy Bottoms, Al Shannon	Concorde
It Takes Two MPAA Rating: PG-13 Running Time: 78 mins. Cast: George Newbern,Leslie Hope	MGM/UA
Midnight Crossing MPAA Rating: R Running Time: 94 mins. Cast: Faye Dunaway, Daniel J. Travanti, Ned Beatty	Vestron
The Nest MPAA Rating: R Running Time: 87 mins. Cast: Robert Lansing,Lisa Langlois,Franc Luz	Concorde
Whoops Apocalypse MPAA Rating: R Running Time: 91 mins. Cast: Loretta Swit,Peter Cook	MGM/UA

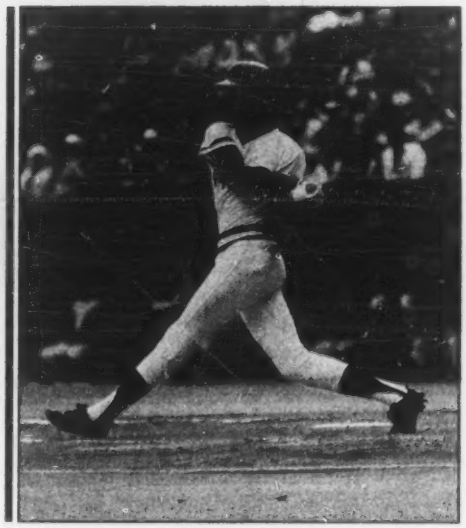
Note: Running times are approximate.
NR indicates film not rated by MPAA.
*Unavailable at presstime.

Film information provided to International Thomson Communications Inc. by distributors.

Pay-Per-View Services Profile

	LAUNCH	DELIVERY	ENCRYPTION	PROGRAMMING	ADDRESSABLE SUBSCRIBERS
Cable Video Store	April 1, 1986	Galaxy I, tr.5	VideoCipher II	Movies, how-to's, special events.	1,000,000
Home Premiere Television	December 4, 1987	Galaxy III, tr. 16	VideoCipher II	Movies and special events.	1,400,000
Playboy On Demand	September 1, 1987	Satcom IV, tr.24	VideoCipher II	Original Playboy programs and adult motion pictures.	1,000,000
Request Television	November 27, 1985	R-1: Satcom III-R, tr. 19 R-2: Satcom III-R, tr. 4	VideoCipher II	Two channels offering movies and special events.	3,300,000
Tuxxedo Network	December 1, 1987	Galaxy II, tr. 10	VideoCipher II	Adult movies and special events.	300,000
Viewer's Choice	November 26, 1985	VC-1: Galaxy III, tr. 21, VC-2: Galaxy III, tr. 18	VideoCipher II	Two channels of movies and special events.	3,200,000
Zap! Movies	June 5, 1986	Spacenet II, tr.1,3,11,23	VideoCipher II	Channel 1: movies. Channel 2: cult movies and video rental favorites. Channel 3: additional plays of Chs. 1/2 titles. Channel 4: previews and barker information.	60,000

Everybody's talking baseball



Cincinnati Reds' Eric Davis. Batting for the right network-cable mix.

NBC isn't alone is forging possible partnerships with cable to seek a Major League Baseball package. According to one source, CBS is doing likewise. "Everyone is talking with everyone," says the source.

Although no names were divulged, a good guess would be USA Network. CBS often has collaborated with USA in airing early rounds of such events as the Masters and the U.S. Open. But Neil Hoffman, USA vice president of programming, says that if there have been any talks with CBS, he doesn't know about it.

No matter who finally gets the baseball package, one thing is certain: ratings won't be on the scale of the NFL games.

This scenario hasn't deterred NBC. It started talks a few weeks ago with Cablevision's Rainbow Program Enterprises and has mulled a deal with Turner Broadcasting, one of the early perceived leaders for a cable baseball package.

Would a network-cable partnership have any leverage in swaying Major League Baseball? Don't count on it, says Roger Werner, president and CEO of ESPN. "I don't think they want to cut a deal for the whole bundle," he says. Neal Pilson, president of CBS Sports, agrees: "No one has any real advantage." The reason is that MLB is looking to increase value for team owners, not take away dollars, say programming experts. Partnerships would, in theory, hope to save money, as well as build a more formidable business combination.

To date the NFL has been cable's biggest prize with the ESPN package. Baseball would also be a plum but not on the scale of football. With an overabundance of baseball on superstations and local stations, the sport's anticipated national cable ratings would be slim, especially if available as a weekday package.

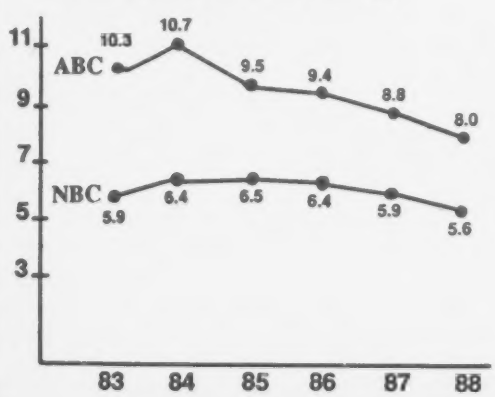
Bart McHugh, senior vice president and director of national radio/television programming for DDB Needham, sees a possible 2.5 rating for a weekday cable baseball game. That's about ESPN's average prime time rating. NFL games on ESPN, on the other hand, have produced ratings as high as 14. Fewer games is one simple factor.

At the start of last season, advertisers were concerned that the extra advertising inventory with a NFL cable package would siphon away network ad dollars. That didn't happen. Tom Winner, senior vice president and director of broadcast operations at Campbell-Mithun-Esty, says that as long as the baseball package remains in the hands of two or three parties, ratings dilution won't occur. But multiple midweek packages on two cable networks, as well as two existing network packages, would cut into the broadcast networks' numbers.

Steve Grubbs, senior vice president and director of national television for BBDO, doesn't think the addition of a cable or alternative network package will hurt NBC. "The important thing for them is to keep the exclusivity of baseball on Saturday afternoons."

—Wayne Friedman

Baseball Owners are Reading the Signs:
(average regular season ratings)



Source: Nielsen People Meter

Generate earnings? Perish the thought!

By Virginia Munger Kahn

Top 10 MSOs

	1st 9 mos Earnings '88 (000's)	1st 9 mos Year Ago (000's)	% Change	9 mos. EPS '88	9 mos. EPS '87
TCI	34.5	33.1	+4%	.19	.20
ATC	47.9	36.4	+31.8%	.44	.33
Warner Comm.	322	226.1	+36%	2.62	1.50
Comcast	(10.0)	(6.6)	+150%	(.28)	(.14)
UA	16.7	4.25	+292%	.51	.10
United*	(15.3)	(3.2)	+378%	(.39)	(.09)
Viacom	(167.7)	(171.7)	-5%	(3.06)	(3.22)
Cablevision Systems	(120.0)	(33.4)	+259%	(5.49)	(1.59)
Jones Int.*	20.25	5.9	+386%	2.34	.46
Times Mirror	235.1	211.8	+11%	1.82	1.64

*Full FY ending May 31

Investors are nervous these days. They're nervous about the economy, they're nervous about all the debt corporate America has taken on in the last five years, and they're uncertain about the regulatory climate for mergers and acquisitions. Not surprisingly, the stock market has been setting new post-crash lows lately and when investors do buy stocks, they're moving towards "quality." That means they're buying blue chip issues and other stocks that post solid earnings and give shareholders stable dividends even in a recessionary climate.

Not surprisingly in this environment, cable issues have been under serious pressure. Stocks that consistently have outperformed the market over the last two years barely have been keeping up with the rest of the market in the last few months.

Meanwhile, values in the private market have continued to march ahead. The result has been a widening gap between private and public market values and an increasing clamour among institutional investors for some indication from cable companies as to how they propose to close that gap. As John Tinker, media analyst at Morgan Stanley & Co. notes, investors are asking, "how can we realize those values?"

The answers lie in several directions. Is it possible that the time has come for cable companies to think seriously about generating profits in order to boost public market values, or are there other methods for closing the gap that might better suit the industry's current structure and stage in its development?

The concept of generating earnings is not so strange. Already, at least two pure cable companies—American Television and Communications and TCA Cable—consistenly post profits. Until two years ago so did Comcast Corp. Otherwise, those companies among cable's top MSOs that do consistently report earnings primarily are large, integrated media and entertainment firms such as Times Mirror and Warner Communications.

These companies were established long before many of the publicly-held cable operators were put together, and they've built their companies with a substantial amount of public equity. As is true of 90 percent of American business, they trade on their prospects for profitable growth and their ability to pay out dividends.

At this point in cable's development, the decision to be profitable or is not primarily up to management, and it varies from company to company. As Lee Cox, president of PacTel, noted in a recent interview with *CableVision*, many companies in the industry simply have chosen not to pass excess cash flow to shareholders. "That isn't necessarily going to continue in all cases," he said. "If a cable company has reached its ultimate growth... it could begin to divert cash flows... to shareholders."

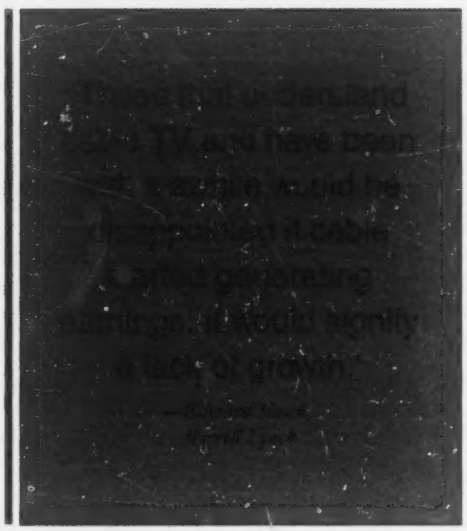
The main impetus to generating earnings would be to attract new investors to the business and ultimately to increase public market values. While cable TV is widely held by institutions, there are many, such as pension funds, who cannot invest in the business because cable does not generate profits or issue dividends regularly.

If cable companies were to begin generating earnings, they would be

able to attract a whole new class of investors. Neil Schulman, vice president at Lehman Asset Management, figures that development could result in a narrowing of the discount from its current 45 to 50 percent level to perhaps 60 percent.

Yet, investors have not rewarded those pure cable companies which do consistently post profits. ATC, in fact, is among the three cheapest public stocks with a discount to private market value of 43.5 percent, according to figures compiled by Hanifen Imhoff cable analyst Ken Goldman. TCA's relatively narrow discount to private market value of 23 percent is based on takeover speculation.

In fact, not one major investor in cable television stocks contacted for this article seriously considers earnings a goal that cable companies should seek to attain. Schulman says it would be "nice" to see dividends or earnings from a cable company, but he adds quickly that "nobody seems to care" about such things.



The perception among many analysts and investors is that the cable business simply is not ready to start generating earnings. "A few companies may be close," says one investor, "but I don't think you're quite there yet." Standing in the way is further industry consolidation, the need to reduce debt, and stock buyback plans, he and other analysts note.

The bottom line is that cable managements can get better returns for their companies and their shareholders by plowing excess cash flow back into their companies rather than distributing it to shareholders. As Edward Hatch, Merrill Lynch's cable analyst, puts it, "Those that understand cable TV and have been with it awhile would be disappointed if cable started generating earnings. It would signify a lack of growth."

That argument that cable still has not reached maturity is pervasive among cable investors. Alan Snyder, president of Snyder Capital Management in San Francisco, believes cable managements want to conserve their cash to position themselves for continuing consolidation. "No one has a national presence other than TCI," Snyder notes, comparing cable television to where broadcast TV was in the 1950s.

Still others say that the industry would best be served now by bringing down debt levels and positioning itself for hard economic times to come. This is not the time to chase after increasingly "speculative" prices in the private system market, several say, but rather a time to play a conservative game by either reducing debt or buying back stock.

That advice goes to the heart of the perception by institutions that one of the primary causes of the large gap in private and public values is that private values have gotten away from cable operators—that is, that values in the private market cannot be sustained on an economic basis. Whereas in previous periods institutional investors have gone along for the speculative ride, this time they have balked. "They don't believe it," says one investor, echoing sentiments of other industry analysts.

In fact, several analysts have commented on the fear of an impending telephone company threat that grips many institutions. That fear and bearish market sentiment have caused large investors to lighten up on cable stocks in their portfolios, thereby putting downard pressure on public market prices.

What the public markets need now is a positive reason to invest in the group again. One of the best

Continued on page 160

Quarterly Earnings Report

Dollar amount in thousands

Company (Quarter/Fiscal Year)	Revenues	% change from prior year	Operating Profit	% Change	Net Income	% Change
ATC (3rd/88)	$205,210	13.69	$32,325	-22.58	$ 9,649	-26.15
Cablevision Systems (3rd/88)	126,885	69	-1,313	-1087.10	-117,478	-367.9
Centel (3rd/88)	325,522	5.1	71,940	-14.76	37,313	-4.75
Centel Cable (3rd/88)	38,611	18.75	5,156	77.61	2,334	N.A.
Century Comm. (N.A.)	43,603	9.9	9,706	14.5	-2,198	-1.3
C-Cor Electronics (1st/89)	12,219	63.86	N.A.	N.A.	1,066	375.35
Heritage Media (3rd/88)	11,530	20.5	4,196	19.4	2,187	63
Home Shopping Network (4th/88)	168,100	5.13	N.A.	N.A.	3,300	0
Jones Intercable (1st/89)	14,495	81	7,263	35	-5,211	-502
Jones Spacelink (1st/89)	15,590	86	7,266	42	-1,793	-228
Knight-Ridder (3rd/88)	503,126	5.79	58,213	-10.11	31,998	-4.34
Multimedia (3rd/88)	107,952	5.33	35,425	8.85	4,455	-9.82
NY Times (3rd/88)	404,149	-5.7	38,820	-33.99	26,682	-18.15
Scientific-Atlanta (1st/89)	124,944	-3	10,519	11	6,732	14
Scripps-Howard (3rd/88)	64,915	18.21	11,455	14.95	2,450	-4.18
Tele-Communications Inc. (3rd/88)	624,000	31.5	244,200	34	63,700	N.A.
Time Inc. (3rd/88)	1,133,000	5.49	159,000	3.25	81,000	9.46
Times Mirror (3rd/88)	814,779	4.79	122,958	-8.05	80,965	14.68
Turner Broadcasting (3rd/88)	198,676	31	23,292	22	36,458	3
United Cable (1st/89)	72,636	19	30,111	19	3,542	631
Viacom (3rd/88)	311,561	21	29,797	-1	-56,925	-8.97
Video Jukebox Network (3rd/88)	380	725	966	1231	-175	30
Washington Post (3rd/88)	329,371	5.26	58,087	-2.11	38,060	-37.93
WestMarc Communications (3rd/88)	33,017	13.82	2,106	-68.34	-4,860	1028.0

NOTES

Financial/Stocks

Select Entertainment

Select Entertainment Corp., formerly Telstar, will receive a $22 million capital infusion from Interlink, a communications/financing business in New York. Interlink will pick up a majority interest in Select Entertainment from the transaction; Select operates the Zap! Movies multichannel pay-per-view service and SelecTV, an STV channel in Los Angeles.

Cable USA

Cable USA Inc. has attained $6.5 million in senior secured debt from First Union National Bank of North Carolina. The funds will be used to refinance and construct systems in the metro Atlanta area. Cable USA is based in Cummings, Ga. Communications Equity Associates handled the process on the operator's behalf.

VISIT US DURING THE WESTERN CABLE TELEVISION SHOW & CONVENTION

Jeff Miller will be available for meetings in Anaheim during the show. Phone us at our office in advance or at the Anaheim Hilton during the convention for a private conference.

CHARLES GREENE
ASSOCIATES

Cable Television Brokerage

1117 Perimeter Center West
Suite E-319 Atlanta, Georgia 30338
(404) 668-9577

This notice appears as a matter of record only. November, 1988.

Acquired By

TELE-MEDIA COMPANY OF THE MID-SOUTH, L.P.

Cable Television Systems Serving 9,800 Subscribers in Southern Indiana and Southern Virginia

Sold By

WELBAC CABLE TV CORPORATION

The Buyer was represented by the undersigned

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such developments would be a major investment in the business by one or more Regional Bell Operating Companies, say analysts. As Ken Goldman notes, that would provide a "double-whammy." Not only would private market values rise, but it probably would help public values as well.

As far as the cable companies themselves are concerned, one of the best things they could do now—instead of buying subscribers at $2,500 each in the private market—is buying back stock at less than half that price, say analysts.

Considering the rapid pace at which private market values have risen, several investors say they expect those values to plateau for a while. If that is the case, the gap could close as public market values rise to reflect improvements in the business itself. After all, penetration levels and revenues will continue to increase, notes Lehman Management's Schulman.

That bullish assessment of the industry as an ultimately solid investment was echoed throughout the investment community. "Sure, we'd be a lot happier if the stocks were selling closer to 100 percent (of PMV)," said one investor. "But we think (the stocks are) a terrific value and that time will give us good returns."

Even in today's market environment, where investors are looking for "quality" and are gravitating towards businesses with favorable fundamentals, Hatch contends cable should be viewed positively. "With three to five percent unit growth, good pricing flexiblity, no foreign competition, and a technology risk that's years away, investors should overlook the absence of eps (earnings per share)," this investor says. ■

CABLE STATS

Subscriber Count

Satellite national services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	365	8,000,000
Alternate View Network	250	4,000,000
Arts & Entertainment (A&E)	2,600	36,000,000
Black Entertainment Television	1,200	20,000,000
Cable News Network	11,860	46,238,000
Cable Value Network	1,850	20,000,000
CBN Family Channel	8,215	41,642,000
C-SPAN	3,014	39,200,000
C-SPAN II	539	15,400,000
Country Music Television	862	8,000,000
The Discovery Channel	3,567	35,800,000
Eco	300	1,000,000
ESPN	9,500	47,800,000
Eternal Word Television Network	461	10,100,000
Family Guide Network	60	4,500,000
FamilyNet	47	1,200,000
The Fashion Channel	600	10,100,000
Financial News Network	3,500	31,000,000
FNN/Score	1,150	19,800,000
FNN/TelShop	950	11,000,000
Headline News	3,228	32,693,000
Home Shopping Network	1,396	16,058,625
Home Shopping Network II	322	5,716,642
The Inspirational Network	950	10,500,000
International Television Network	56	7,868,900
The Learning Channel	930	12,800,000
Lifetime	3,600	40,800,000
Mind Extension University	84	2,200,000
Movietime	200	7,500,000
MTV	5,010	42,700,000
The Nashville Network	7,335	41,051,392
Network 1 USOA	N.A.	N.A.
Nick At Nite	3,285	36,400,000
Nickelodeon	6,195	41,200,000
The Nostalgia Channel	290	3,500,000
Prevue Guide	200	5,300,000
QVC Network	931	12,600,000
RFD TV	N.A.	N.A.
Shop Television Network	119	4,600,000
Silent Network	380	10,300,000
Superstation TBS	8,171	45,718,000
Tempo Television	700	8,000,000
TNT	1,279	17,040,000
The Travel Channel	300	11,000,000
Trinity Broadcasting Network	650	8,000,000
Univision	340	N.A.
USA Network	10,100	45,200,000
VH-1	2,140	27,900,000
Vision Interfaith Satellite Network	N.A.	6,200,000
The Weather Channel	3,240	36,100,000
WGN-TV	11,000	24,900,000
WWOR-TV	2,499	12,302,073
WPIX-TV	858	9,678,474
Bonus/basic services		
American Movie Classics	1,500	13,000,000
Bravo	350	1,300,000
Pay services		
American Exxxtasy	35	27,000
Cinemax	3,650	5,100,000
The Disney Channel	5,000	3,810,000
Festival	100	42,500
Home Box Office	7,400	15,900,000
The Movie Channel	3,250	2,600,000
The Playboy Channel	550	490,000
Showtime	6,000	6,300,000
Audio services		
Cable Radio Network	49	1,556,736
Galatic Radio	84	1,050,000
KKGO Super Jazz	18	133,639
Moody Bible Institute	63	1,058,368
Satellite Radio Network	237	483,000
Seeburg Lifestyle Music	142	2,578,838
Seeburg Lifestyle Adult Contemporary	26	854,390
Tempo Sound	125	1,250,000
WFMT Chicago	170	1,259,804
Text services		
AP News Cable	185	2,500,000
AP Business Plus	54	1,400,000
AP News Plus	75	2,100,000
Cable SportsTracker	41	875,000
EPG	280	6,800,000
EPG Jr.	330	300,000
Genesis Storytime	39	1,550,000
Reuters NewsView	127	2,437,000
Computer services		
DBC/MarketWatch	462	9,200,000
X*Press Executive	457	6,100,000
X*Press X*Change	457	6,100,000

Non satellite-fed national services

Basic services	Affiliates	Subscribers
Cable Video Entertainment	190	18,000,000
Fuji Network	3	12,000
Nippon Golden Network	3	13,000
Vector Consumer News	5	200,000
Vector Consumer Shopping Guide	9	325,000

Interactive services

Basic services	Affiliates	Subscribers
Telaction	4	25,000
Video Jukebox Network	9	268,000

Regional entertainment services

Basic services	Affiliates	Subscribers
Atlanta Interfaith	7	177,000
Bay Area Religious Channel	6	113,000
Buffalo Sabres Hockey	6	455,000
Cable TV Network of New Jersey	34	1,396,451
The Ecumenical Channel	9	170,000
KBL Entertainment Network	67	1,000,000
KTVT	415	3,588,270
Life Newsvision	35	50,000
Madison Square Garden Network	112	2,500,000
Meadows Racing Network	14	600,000
News 12 Long Island	4	532,000
Prime Cable	9	381,938
Prime Sports Network	N.A.	N.A.
Prime Ticket	55	2,300,000
Sportsvision	50	1,507,270
Sunshine Network	112	1,700,000
Pay services		
Home Sports Entertainment	196	684,740
Home Team Sports	114	1,000,000
New England Sports Network	160	301,131
Prism	87	427,000
Pro-Am Sports	140	301,000
SportsChannel (Florida)	10	470,000
SportsChannel (New England)	147	942,943
SportsChannel (New York)	94	1,300,000
Z Channel	65	110,010

Note: Figures for affiliate/subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision, Cable Stats, 432 Park Avenue South, Suite 1010, New York, NY 10016.
N/A denotes information not available.

Announced services

Satellite-fed services	Expected launch
American Man's Network	2/89
ATV: Advertising Television	1/89
CD/8: The Digital Music Network	1st Quarter 1989
CNBC	1st Quarter 1989
The Computer Channel	5/89
Digital Cable Radio	1st Quarter 1989
Digital Radio Labs	1st Quarter 1989
Interactive Game Network	3rd Quarter 1989
Kids Information Network	1st Quarter 1989
The Landscape Channel	1st Quarter 1989
Laugh TV	1st Quarter 1989
Mizlou Cable Sports Network	4/89
Spanish TV News Network	1/89
Talk Television	1st Quarter 1989
Wingtips	4th Quarter 1989
Non satellite-fed services	**Expected launch**
ACTV	4th Quarter 1989
Main Street	2nd Quarter 1989
On Demand/UTV TV Network	4th Quarter 1989